## ABSTRACT OF THE DISCLOSURE

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Glycerides of acids having conjugated groups of aliphatic carbon-carbon double bonds, such as tung oil, are functionalized by reaction with certain polyol compounds at mild conditions. The functionalized oils are useful in a variety of coating and adhesive applications. They can be cured with melamine-formaldehyde, ureaformaldehyde, benzoguanimine-formaldehyde and/or glycoluril-formaldehyde resins. They can be reacted with polyisocyanates to form polyurethanes, and urethane-group containing prepolymers. Of particular interest are water-dispersible prepolymers, which can be used to make anionic, cationic or nonionic polyurethane dispersions for coating, adhesive and sealant as well as composites applications.